

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION )  
SERVICE CHANGES, 2012 )  
)

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE INTERROGATORIES TO AMERICAN POSTAL  
WORKERS UNION, AFL-CIO, WITNESS SCHILLER, APWU-RT-2  
USPS/APWU-RT2—13-24**

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the Postal Service respectfully submits the following interrogatories and requests for production to APWU witness Schiller: USPS/APWU-RT2-13-24. These interrogatories are based upon witness Schiller's revised testimony and its pagination. Please refer to and apply the Instructions and Definitions attached to USPS/APWU-RT2-6-12 (May 9, 2012).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**INTERROGATORIES**

**USPS/APWU-RT2-13.** On page 16 of your testimony you state:

Analysis comparing FY2012 Q1 origin service standards to proposed standards as reflected on the RIBBS website indicates substantial potential degradation in service standards across all protected parcel classes. Results of this analysis are discussed below and summarized in Table 1.

- a. Please clarify what Table 1 illustrates:
  - i. What are the units in respective cells, and from what universe or population are they drawn?
  - ii. To what specific service standard proposals does Table 1 correspond, particularly as to your understanding of date, products and shapes?
  - iii. How does Table 1 relate to parcels? Please explain the extent to which Table 1 relates in part, in full, or not at all to parcels delivered by the Postal Service.
  - iv. To what specific Postal Service products and price categories does Table 1 relate.
- b. Please explain and document the specific calculations underlying Table 1.

**USPS/APWU-RT2-14.** Please confirm the sixth bullet on page 27 of your revised testimony says, “UPS/FDX delivery within 250 miles (generally) overnight.”

- a. Please identify the sources of UPS and FDX data on which this statement relies.
- b. What is the source of the 250 mile limit? Was the source for the original version of your testimony (which uses “150” in lieu of “250”) any different? Please explain the foundation for this bullet and what led to the erratum; was this a simple typographic error or was there some real import to the 150 mile description?
- c. Please identify (separately) the specific UPS and FDX products to which this bullet refers.

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d. Please explain the meaning and source of the qualification “generally” in this bullet. To the extent any judgment was involved, please explain who made that judgment, what that judgment was based upon, and what criteria lead to inclusion within or exclusion without what “generally” encompasses.

**USPS/APWU-RT2-15.** Please refer to the volume, revenue, share numbers reported in eleven bullets that cross the page 26 to page 27 boundary. Please specify data sources for each number and provide copies of the reports or other sources upon which you rely. Also, please document all underlying calculations showing how you aggregate to each carrier’s total or share, and then aggregate to overall totals or shares.

a. Please explain how you were able to verify that these bullets refer only to parcels transported on the ground.

b. Please explain how you were able to verify that these bullets focus upon ground parcels shipped no further than 350 miles and “mostly overnight” thereby excluding other shapes (flats and letters), transportation modes (other than ground), longer distances than 350 miles (including, for example, successive trips), and business segments beyond business to consumer. Please include in your explanation challenges presented by information available regarding respective carriers.

c. If you are unable to provide specific verification for parts (a-b), then please explain your opinion as to how or why parcels transported (at least in part) via transportation other than ground were excluded, and that higher priced products were excluded.

d. Please explain what you mean by “mostly overnight” (p. 26 line 19), the limitations inherent in “mostly”, and how that term applies to establish comparability within and across bullets and carriers.

e. Please discuss how the respective carriers’ business rules apply to ground parcels and explain how these shaped or impacted the analysis presented in the eleven bullets.

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**USPS/APWU-RT2-16.** Please refer to Appendix 2 of your testimony (pp. 51-66).

- a. Please explain how this appendix was prepared by identifying who developed it; whether (and if so, how) it was reviewed to avoid its imparting bias to the results; whether it was built from a pre-existing form (if so, please identify the predecessor and provide a copy); the credentials of those who reviewed it to ensure its utility, propriety and fairness; and your understanding of whether it did or did not lead customers to specific responses.
- b. You indicate on page 41 (Appendix 1) that you rigorously screened 40 prospects to complete 17 interviews. What was the basis for screening and what were the qualifications of those who completed the 17 interviews versus the 23 who did not?
  - ii. Who did the screening and how was the screening conducted?
  - ii. What reasons were given for refusing to complete the interviews.
  - iii. Without disclosing anything that would reveal respondent identifiable information, what are the characteristics of the prospects who refused to complete the interviews.
- c. Without disclosing any respondent identifiable information what are the characteristics of the firms interviewed—e.g., firm size, industry type, mailing volume, location, etc.
- d. In Appendix 2 you requested information on the interviewee's shipping profile. You reference a form they filled out? Did this form contain additional information on the respondent's shipping profile beyond the number of shipping locations? Please provide copies of this form with respondent-identifiable information redacted?
- e. If limited to number of shipping locations, why didn't you obtain other information on their shipping and mailing characteristics? Specifically why were there no questions on the total volume of parcels and mail they send, nor any breakout of how they send those parcels and mail? Specifically, to what extent do they use First-Class Mail?

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- f. You indicate that the screening resulted in interviews with managers of firms engaged with shipping of parcels or mail primarily to residential (consumer) recipients. Why was the focus on shipping primarily to consumers?
- g. Of the 17 interviews completed, you indicate that several were completed at the National Postal Forum in Orlando.
  - i. Please define “several” by providing the exact number of interviews completed at the Forum.
  - ii. Please provide details as to the purpose of your attendance.
- h. How important to your research, its goals and results, and its ultimate utility is an accurate description in Appendix 2 of the changes the Postal Service proposes?
  - i. The Postal Service used a more detailed description of the changes to First-Class Mail Service Standards as detailed in Witness Elmore-Yalch’s testimony. Why did you choose not to use this more detailed description?
- i. Please identify who performed the in-depth interviews, together with their professional background and qualifications to undertake the interviews. More generally, what measures were taken to ensure that Appendix 2 meets professional standards for such instruments?
- j. You indicate on page 41 that questions were both rating scales to determine relative value of various features and open-ended to draw as much perspective as possible. You further indicate this provided to be a very effective approach. On what basis and for what purpose do you contend that this is an effective approach?
- k. What is the validity and reliability of the responses to the rating scales?
- l. Please provide (if you have not already) copies of each respondent’s completed Appendix 2. If any redactions are necessary beyond what is necessary to protect participant identity, please provide non-public versions without redactions.
- m. What if any analysis of participants’ completed response forms (for which Appendix 2 is the blank form) was undertaken? Please describe what was done

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and provide copies of any write-up or other evaluation that involved one or more participants.

- n. What do you believe is interviewees' understanding of speed or time-in-transit (expected transit time)?
- o. You ask for the importance of a variety of service characteristics (section E). In Section F you then ask for your impressions of the Postal Service. It does not appear that you followed up directly or indirectly with a question as to the extent to which USPS currently meets customer needs and expectations regarding these service characteristics.
  - i. Why didn't you follow-up with these questions?
  - ii. What is the standard market research practice when asking questions regarding the importance of service features?
  - iii. Is it common or uncommon to ask a corresponding set of questions to garner insights or data on satisfaction with delivery service on respective features or, as an alternative, the extent to which the company in question meets customer needs and expectations?
- p. Please confirm that the following statement appears in section G. of Appendix 2: "As a result of Network Rationalization, First Class Mail would no longer be delivered in one day."
  - i. Do you understand this statement to be accurate? Please explain and include in the explanation any source materials on which the quoted statement relies.
  - ii. Is it your understanding that, after implementation of Network Rationalization, the Postal Service would be required to avoid delivery of First-Class Mail the day after entry? Please explain how you arrive at your understanding?
- q. Please explain your understanding of the role that leading questions should, or should not, play in research tools such as Appendix 2. Include in your response the extent to which consideration of leading questions should focus upon single questions as opposed to question sequences.

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- r. Please confirm that the following statement appears in section G of Appendix 2: “It is possible that this proposal could affect parcels as well.”
- i. Please explain the circumstances that create the possibility asserted. Please also explain what circumstances support the clear counter-implication that “this proposal” might **not** affect parcels.
  - ii. Why was this statement inserted in Appendix 2 and what purpose(s) does it serve?
  - iii. Who made the judgment that inclusion of this statement was appropriate?
  - iv. Please identify each Postal Service product for which this possibility exists and explain how the impact on each such product was determined.
  - v. What impact, if any, would you expect upon participants’ responses had the statement instead included word(s) of negation (such as changing the syntax by replacing “could” with “might not” or otherwise denoting semantic negation)?

**USPS/APWU-RT2-17.** What is your understanding of service standard changes the Postal Service has proposed that would impact parcels? Please identify each affected postal product, the applicable service standard change and explain the source of your understanding as to effect.

**USPS/APWU-RT2-18.** Please confirm that on page 7 you claim, “the added day of service for all of FCM is troubling.”

- a. Is it your understanding that each such mail piece will take at least one day longer between entry and delivery? Please explain.
- b. Please explain the complete foundation for your assertion that the Postal Service plans to add a day of service for all First-Class Mail. Please include citation to or quotation from pertinent materials the Postal Service has filed in this case or which appear on official postal information sources.

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c. What is your understanding whether of whether mailers would respond to the circumstances described in the interview guide by entering First-Class Mail one day sooner than they now do? Are you able to draw upon responses to in-depth-interviews to inform your answer? Please explain why or why not.

**USPS/APWU/RT2-19.** Please explain, showing your calculations, how you arrived at the conclusion that the Postal Service can expect an 8 to 9 percent growth rate “for USPS parcels” (APWU-Rt-2 at 26), and whether that is an annual or aggregate projection over some time period.

a. What parcel processing capacities does the Postal Service lose thanks to network rationalization? Please cite to sources for your response.

b. What operations capacity for higher weight parcels does the Postal Service lack today (APWU-RT-2 at 34)?

**USPS/APWU-RT2-20.** Please describe the systematic similarities and differences among the 23 prospects screened out from the 17 interviewed (APWU-RT-2 at 41). Please explain how respective screening criteria led to exclusion of each of these 23 prospects.

**USPS/APWU-RT2-21.** How long were respective telephone and in-person interviews? a. What was the limit for “time allowed” (APWU-RT-2 at 41)?  
b. How many interviews were constrained by time allowed?

**USPS/APWU-RT-2-22.** Please provide a copy of the “interview guide” (APWU-RT-2 at 38) or a citation to it if it is generally available.

**USPS/APWU-RT2-23.** Please provide a matrix breaking out in-depth interviewees by small, medium, large, and third-party parcels shippers, while further breaking out the fourth of these into the respective three types. APWU-RT-2 at 42. Please also indicate in the breakout, to the extent available, which respective interviewees have “deep ... understanding” of Postal Service parcels products.



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- a. How many interviewees inform your judgment about “most users of FCM for shipping parcels” (APWU-RT-2 at 46), especially considering your view that “parcel shippers” are mutually exclusive of “loyal mailers” (APWU-RT-2 at 45)?
- b. Assuming your statement (on page 46) that “[FCM parcels shippers] use[ ] USPS for shipping products for which speed of delivery may be less important than cost” has value beyond speculation (given the use of “may”), upon how many interviewees does this statement depend? Did any of them comment upon speed of delivery compared to reliability of delivery?
- c. Upon how many interviewees does the statement straddling pages 48-49 (“They suggest strongly that more diversion from the USPS is likely because they must move to protect their own needs.) depend? More specifically, what did they say ?

**USPS/APWU-RT2-24.** Looking to the first paragraph on page 45 in your testimony, how should long term volume decline in First-Class Mail volume owing to electronic diversion be looked at “specifically ... in light of the proposed network rationalization?” Please explain your response, providing examples of how information obtained in the in-depth-interviews inform your response.